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Message Text

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43
ACTION XMB-07

INFO OCT-01 EA-11 ISO-00 EB-11 COME-00 TRSE-00 AID-20

OPIC-12 DRC-01 RSC-01 /064 W
---------- 019326
R 070826Z MAR 74
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 1651

C O N F I D E N T I A L MANILA 2704

E.O. 11652: GDS
TAGS: EFIN, RP
SUBJECT: EX-IM BANK DENIAL LOCKHEED L-100 CREDITS

REF: STATE 41980

1. EC/COM COUNSELOR RAISED SUBJECT CREDIT IN GENERAL TERMS WITH EXECSEC MELCHOR MARCH 6. MELCHOR JUMPED INFO THE SUBJECT BY SAYING MEMBERS OF HIS STAFF HAD HEARD THAT (A) EX-IM BANK HAD "TURNED DOWN" REQUEST TO FINANCE L-100; (B) THAT NO FURTHER ACTION WAS CONTEMPLATED BY EX-IM BANK (HE IMPLIED THIS RELATED OTHER PENDING CREDITS AS WELL); AND (C) THAT EX-IM WAS "DOWN ON THE PHILIPPINES GENERALLY." MELCHOR SAID THAT THESE REPORTS WERE BEING VERY BADLY RECEIVED IN MALACANANG AND WANTED TO KNOW WHETHER THEY REPRESENTED A "POLICY" OF THE EX-IM BANK.

2. EC/COM COURSELOR STATED FIRMLY THAT THERE WAS NO REPEAT NO EX-IM BANK POLICY OF BEING "DOWN ON THE PHILIPPINES", THAT SUCH A RUMOR WAS MOST UNFORTUNATE AND WHOLLY UNTRUE. IN POINT OF FACT IS WAS EXPLAINED THAT EX-IM HAD ONLY TAKEN A DETERMINATION WITH RESPECT TO A REQUEST FOR A PRELIMINARY COMMITMENT AND HAD MADE ITS DETERMINATION ON THE BASIS OF SPECIFIC ISSUES. MELCHOR CITED THE LEASE OF THE EARLIER L-100, AND EC/COM COUNSELOR SAID THAT INDEED THIS WAS AN ISSUE BUT NOT BY ANY MEANS THE MOST IMPORTANT ONE. THE REAL CONCERN
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WAS REPORTED PHILIPPINE USE OF THE L-100'S AND THE

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CONFLICT OF THAT REPORTED USAGE WITH THE TERMS OF
THE PHILIPPINE CERTIFICATION AND OF EX-IM BANK'S
AUTHORIZATION. EC/COM COUNSELOR WENT ON TO STATE
THAT HE WOULD WELCOME, AS WOULD EX-IM BANK, ANY
FURTHER CLARIFICATION OF THE USE OF THE L-100'S THE
EXECUTIVE SECRETARY MIGHT WISH TO PROVIDE, BUT THAT
IT LOOKED FOR THE MOMENT AS IF THE BEST COURSE
TO AVOID LOSS OF THE PHILIPPINE POSITION IN LOCKHEED'S
ORDER BOOK WOULD BE TO SEEK COMMERCIAL FINANCING.
MELCHOR DID NOT SEEM ILL-DISPOSED TO THIS SUGGESTION.

3. ACTION REQUESTED: EMBASSY WOULD APPRECIATE
AS SOON AS POSSIBLE DEPARTMENT AND EX-IM COMMENT
THAT MAY BE USED IN DEALING WITH THE FOREGOING
REPORTS. EMBASSY INTENDS CONTINUE TO PURSUE
THE CERTIFICATION ISSUE AS APPROPRIATE.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY AIRCRAFT, AIRCRAFT SALES, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA02704
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: MANILA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1974/newtext/t19740361/aaaacesn.tel
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Previous Handling Restrictions: n/a
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Review Authority: golinofr
Review Comment: n/a
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Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2002 by rowelle0>; APPROVED <14 JAN 2003 by golinofr>
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Secure: OPEN
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To: STATE
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